

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE		PAGE OF		PAGES	
						1		1	
2. AMENDMENT/MODIFICATION NO. M007			3. EFFECTIVE DATE See Block 16.C		4. REQUISITION/PURCHASE REQ. NO.			5. PROJECT NO. (If applicable)	
6. ISSUED BY National Nuclear Security Administration Nevada Operations Office P.O. Box 98518 Las Vegas, NV 89193-8518			7. ADMINISTERED BY (If other than Item 6)		CODE				
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)					(✓)		9A. AMENDMENT OF SOLICITATION NO.		
Stoller-Navarro Joint Venture 7710 West Cheyenne Avenue Las Vegas, NV 89129					X		9B. DATED (SEE ITEM 11)		
							10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC52-03NA99205		
							10B. DATED (SEE ITEM 13) 10/01/03		
CODE		FACILITY CODE							
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS									
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.									
12. ACCOUNTING AND APPROPRIATION DATA (If required)									

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT /ORDER NO. AS DESCRIBED IN ITEM 14.**

(✓)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) Clause H.2, Total Available Fee, Performance-Based Plan
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and _____ copies to the issuing office.	

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

This modification sets forth the amount of award fee and incentive fee earned for the period October 1, 2003, through March 30, 2004. See Page 2 for details.

**EXECUTED
COPY**

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Darby A. Dieterich, Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY Privacy Act	16C. DATE SIGNED 5/10/04
(Signature of person authorized to sign)		(Signature of Contracting Officer)	

This modification sets forth the amount of award fee and incentive fee earned for the period October 1, 2003, through March 30, 2004. As such Clause H.2, Total Available Fee, Performance-Based Fee Plan, is modified by adding paragraph (g) Fee Earned, as follows:

(g) Fee Earned. The following is a summary of the fee earned on a semi-annual basis:

Evaluation Period	Incentive Fee Earned	Award Fee Available	Award Fee Categories	Performance Rating	Conversion Percent Awarded	Award Fee Earned	Total Fee Earned
10/1/03 - 3/31/04	\$270,845.00	\$457,506.00	1-5	88 - Good	85%	\$388,880.10	
		\$152,502.00	6	89 - Good	87%	\$132,676.74	
							\$792,401.84

No other changes are made as a result of this modification.

Award Fee Board Report

Contract DE-AC52-03NA99205

**Stoller-Navarro Joint Venture (SNJV)
Period October 1, 2003, through March 31, 2004**

	<u>Page</u>
EXECUTIVE SUMMARY.....	1
ACHIEVEMENTS/DEFICIENCIES.....	2
DISCUSSION.....	8

EXECUTIVE SUMMARY

Stoller-Navarro Joint Venture (SNJV) is required to provide environmental engineering services on the Nevada Test Site (NTS), other locations in Nevada and the states of Alaska, Colorado, Mississippi, and New Mexico, and other such related duties as may be directed by the Contracting Officer or the Contracting Officer's Representative.

This is the first evaluation under a contract beginning October 1, 2003. The Environmental Restoration Division (ERD) and Program Integration (PI) staffs interface daily with SNJV. Both ERD and PI staff were asked to evaluate SNJV performance. In addition, SNJV supports the Defense Threat Reduction Agency and their input was also requested for this report.

The allocation of award fee for the six categories rated is as follows:

1. 75% of the total award fee is allocated to Categories 1 through 5.
2. 25% of the total award fee is allocated to Category 6, Health and Safety.

A copy of SNJV's end of period self-assessment was provided to all project managers for review and consideration in drafting their input.

The Award Fee Board (AFB) met on May, 10, 2004. Attending were Janet Appenzeller-Wing, NNSA/ERD, who is the Lead Evaluator; Rick Betteridge, Director for Technology Development (TD); Sharon Hejazi, Office of Chief Counsel; and Darby A. Dieterich, the Contracting Officer/Contract Specialist, Office of Business Affairs. For this Award Fee Period, there were two Significant Achievements, seven Notable Achievements, no Significant Deficiencies, and eight Notable Deficiencies. SNJV has responded to most if not all of the areas noted deficiencies by recommending corrective actions in their self-assessment. Adhering to the guidelines set forth in Section C of the Award Fee Determination Plan, the AFB recommends a rating of 88 (GOOD) for Categories 1-5 and 89 (GOOD) for Category 6. Fee to be earned is as follows:

Category	Cat 1-5	Cat 6
Score	88	89

Fee Pool	Pool Split	Fee Available	Fee Conversion	Fee Earned	Fee Forfeited
\$610,008.00	x 75%	\$457,506.00	x 85%	\$388,880.10	\$68,625.90
	x 25%	\$152,502.00	x 87%	\$132,676.74	\$19,825.26
		\$610,008.00		\$521,556.84	\$88,451.16

SNJV's rating for the first 6 months of the contract are detailed in the following sections.

ACHIEVEMENTS/DEFICIENCIES

Performance Objective.

Category 1: Responsiveness and Teamwork – 89 (Good)

- NNSA priority requests responded to promptly.
- NNSA needs and/or Project needs anticipated and acted upon.
- Mutual respect/pride in accomplishment
- Open and honest communication
- Trust and cooperation within team
- Most people are contributing team members

Significant Achievements:

None

Notable Achievements:

SNJV has done a good job of staffing each project with strong performers. In addition, SNJV has been very responsive to both NNSA as well as Headquarters (HQ) driven requests. An example is the development of the Risk-Based End State Vision (RBES) documents for the Offsite Project. The documents produced were done in an extremely compressed time-frame and were of high quality. A total of seven Offsite Project documents were developed by the HQ deadline of October 31, 2003. The RBES document for the NTS was accelerated at the request of NSO from the initial planned date of June 30, 2004 to the end of March, 2004. The document was actually delivered by the middle of March, 2004.

Significant Deficiencies:

None

Notable Deficiencies:

None

Category 2: Management Commitment – 88 (Good)

- Problem areas resolved to NNSA's satisfaction in a timely fashion.
- Appropriate senior management attention and review devoted to the project.
- Key positions filled with strong performers.
- Positions consistently filled in a timely manner
- Most areas adequately staffed

Significant Achievements:

None

Notable Achievements:

SNJV Board members quickly addressed and rectified issues which arose during the tenure of the previous SNJV Program Manager. Communication problems as well as issues of trust with the previous Program Manager became evident in January. Once these issues were brought to the attention of the SNJV Board, the Board members immediately flew to Las Vegas and the issues were resolved. The previous Program Manager was replaced with John Fowler (in an acting capacity) who is a highly respected, knowledgeable individual who has done a commendable job of running the program for the last three months.

Significant Deficiencies:

None

Notable Deficiencies:

Several of the projects, specifically Program Integration and UGTA, experienced delays in hiring personnel to staff important functions (FFACO and the UGTA modeling manager/senior modeler). The positions in the FFACO group have been filled, however, the modeling manager is currently staffed by a TDY and this issue has been discussed between SNJV and NNSA. A key issue associated with staffing is the delay in supporting the modeling work. Several modelers were hired, however, they were brought on later in the evaluation period. SNJV did not bring on TDY personnel until March to assist in the modeling effort, which has resulted in the modeling being behind schedule.

Category 3: Cost Control – 88 (Good)

- Actual cost expenditures compare favorably to planned expenditures
- Cost data presented on schedule and reliable
- Cost estimates done in time to support the project decision-making process
- Job hours spend judiciously and according to plan
- Appropriate cost control procedures followed
- Active pursuit of productivity initiatives

Significant Achievements:

None

Notable Achievements:

SNJV has done a good job of controlling costs within the program. SNJV responded to significant budget cuts by proposing and executing budget reductions in a way that had minimal impact to the program as a whole. SNJV has actively pursued productivity initiatives such as working closely with NNSA, BN, and the State of Nevada to develop dose-based Preliminary Action Levels versus background-based levels for the Industrial Sites Project. In addition, the SNJV UGTA project is testing an auto-sampler for collecting groundwater samples. This could enhance productivity in the future. These types of efforts will result in cost and schedule savings for future work.

Significant Deficiencies:

None

Notable Deficiencies:

SNJV UGTA team conducted an evaluation of alternative methods for conducting the Rainier Mesa Value of Information Analysis (VOIA) and presented the results to NNSA. NNSA approved the method proposed by SNJV, however, NNSA was not informed until three months into the VOIA that the proposed method would require additional budget and funding.

Category 4: Planning, Organizing, and Communications – 88 (Good)

- Participates as a partner with NNSA in the planning process
- Project schedules developed and maintained in a timely manner
- Alternatives, options, and basic planning are anticipated and scheduled well in advance
- Communications are effective at all levels
- Project is effectively organized and the organization is communicated to all project participants

Significant Achievements:

Support for various elements of the EM-32 Lifecycle Baseline review has been excellent. This includes a number of activities where SNJV has the lead in responding to the HQ identified deficiencies, such as the development of EM level Project Execution, Risk Analysis, and Risk Mitigation Plans. These plans will incorporate the information from both the Environmental Restoration program (completed by SNJV) and the Waste Management program (completed by Bechtel Nevada) into a more corporate level document.

Notable Achievements:

The contractor's efforts to respond to budget cuts is excellent in that they are attempting to find methods to reduce scope that will not have long-term negative impacts on staff and their capability to support NNSA in the future.

The SNJV Industrial Sites project was able to accelerate work that was planned for FY 2004 by the previous contractor by proposing new, innovative ways to complete the work.

Significant Deficiencies:

None

Notable Deficiencies:

Within Program Integration, various functions exist such as FFACO, EMIS, and Health and Safety. In many instances, what is done within one function affects the other functions. In several cases, miscommunication or no communication has occurred within SNJV which has resulted in confusion and misunderstandings between tasks and Task Managers. SNJV needs to continue to improve communications between functions and with the various NSO Task Managers.

SNJV staff on the UGTA project did not conduct a thorough evaluation of the scope, budget, and schedule at the beginning of the year. As a result, schedule conflicts were not identified until the second quarter and adjustments then needed to be made by multiple organizations within the UGTA project.

Discussion:

In the contractor self-assessment, some claims were made regarding the integration and transition of FFACO into EMIS. During discussion with the contractor Project Manager, these were pointed out to be in error and it was agreed that these were in error. Specific references for this include a notation on page 11 (bottom of the page) related to completing the transition from FFACO to EMIS by April 30, and on page 6-4 regarding an EMIS/FFACO demonstration on that same date.

Category 5: Quality and Timeliness of Products and Services – 88 (Good)

- Products and services are of high technical quality
- Products and services are of high visual and aesthetic quality
- Products and services are appropriately targeted for the intended audience
- Analyses are accurate and effectively communicated and/or presented
- Products and services are provided on schedule
- Entire scope of work is addressed satisfactorily

Significant Achievements:

Outstanding efforts were evidenced here with the production of the RBES documents, both for the Offsite project and for the Nevada Test Site. These were high quality products, done in a very compressed time-frame, even with sometimes prescriptive and confusing HQ guidance. SNJV was creative and inventive in interpreting the potentially conflicting guidance so that the task for the NTS document was completed in an efficient and effective manner.

Notable Achievements:

SNJV submitted 74 deliverables in the first half of FY 2004. Most of the Industrial Sites FFACO documents were approved without comment.

None

Significant Deficiencies:

None

Notable Deficiencies:

For Program Integration, SNJV delivered a fee-bearing milestone by the deadline established, however, the method (manual versus electronic) used to replicate data from the FFACO Database into EMIS resulted in some data entry errors. As a result, it took more effort and more time to bring the EMIS Database to the standard we expected.

Within the UGTA project, several tasks are behind schedule (i.e. modeling) and some deliverables (within SNJV control) have been late. Two deliverables had issues with the quality of the product. However, it is noted that SNJV self identified one of these.

Category 6: Health and Safety – 89 (Good)

- Compliance with Integrated Safety Management
- Compliance with the Environmental Management H&S Plan and Site Specific H&S Plans
- H&S issues/concerns identified, reported and addressed promptly
- Compliance with Price Anderson Amendments Act (PAAA)

Significant Achievements:

None

Notable Achievements:

The contractor performance in this category was good. There were no safety violations or lost work days.

Significant Deficiencies:

None

Notable Deficiencies:

There were some communication difficulties early in the rating period that detracted from the overall performance, specifically, the reporting of what turned out to be a false positive to other NNSA personnel before EM personnel were notified.

In the initial 4 ½ months of field support to the UGTA project, a SNJV Site Safety Officer was on site. However, during this period, due to no presence of programmatic Health and Safety staff on site, no required self-assessments were done.

DISCUSSION.

1. SNJV's support during the first half of FY 2004 was good. The contractor was able to come up to speed quickly on a well established program. Quick action by the SNJV Board to replace the initial Program Manager resulted in a more cohesive relationship between SNJV and NNSA over the last three months. The SNJV team performed good in every category. The Achievements and Deficiencies were discussed in detail in the previous section. The next section discusses NNSA's analysis of SNJV's self-assessment.

2. Analysis of SNJV's self-evaluation was performed by all of the project managers as well as the Lead Evaluator (LE). In all categories, SNJV's ratings were higher than NNSA's. The differences between SNJV's ratings and the board report numbers are discussed in this section.

Category 1, Responsiveness & Teamwork (+) SNJV rated this category 92.88, NNSA rated it 89, a difference of 3.88 points, or approximately 4%. NNSA agrees that all projects are staffed with strong performers and that SNJV has been very responsive in addressing NNSA and HQ requests. A majority of what SNJV identified as achievements simply met program requirements, such as working well with other contractors and using the resources of the other joint venture members or subcontractors to meet the needs of the projects.

Category 2, Management Commitment (+) SNJV rated this category 91.13, NNSA rated it 88, a difference of 3.13 points, or approximately 3.4%. NNSA agrees that SNJV

quickly addressed the issues which came up concerning the previous SNJV Program Manager. However, identifying that SNJV Board members provide an active oversight roles, that the program was up and running on day one of the contract, and that SNJV management worked with NNSA to resolve problems in a timely manner are expected as part of the program requirements.

(-) Both SNJV as well as NNSA agree that the filling of some positions within the program has been slow and the use of TDY personnel is expensive. This staffing issue has resulted in the UGTA modeling effort being behind schedule.

Category 3, Cost Control (+) SNJV rated this category 91.63, NNSA rated it 88, a difference of 3.63 points, or approximately 4%. Most of the achievements that SNJV listed in this category, such as stating that actual costs compare favorably with planned costs and that the cost data is submitted in a timely manner are basic expectations of the contract. SNJV's quick and well thought out response to budget cuts earlier this FY was a good effort. SNJV has made a good effort looking for and implementing productivity initiatives which will save time and money in the future.

(-) NNSA notes that the SNJV UGTA team evaluated alternative methods for conducting the Rainier Mesa Value of Information Analysis (VOIA) and presented the results to NNSA. NNSA approved the method proposed by SNJV, however, NNSA was not informed until three months into the VOIA that the proposed method would require additional budget and funding. SNJV did mention in their self-assessment that they did not address the potential cost impacts associated with implementing the compared codes. SNJV has recommended a corrective action to address this issue in the future.

Category 4, Planning, Organization, and Communication (+) SNJV rated this category 90.25, NNSA rated it 88, a difference of 2.25 points, or approximately 2.5%. Of the four achievements SNJV listed, NNSA concurs that SNJV has done a good job of partnering in the planning process as well as evaluating alternative ways of doing business. The other two achievements SNJV listed, organizing their program to be similar to NNSAs' and implementing an integrated planning process simply make good business sense, however, NNSA doesn't believe they are notable achievements.

(-) NNSA noted that two deficiencies existed pertaining to this category. The first was inconsistent levels of communication within Program Integration. The other was within the UGTA project. The SNJV UGTA team did not do a thorough job of evaluating scope, budget, or schedule at the beginning of the year. As a result, schedule conflicts occurred and adjustments needed to be made by multiple organizations with the UGTA project. Both issues were identified in SNJV's self-assessment.

Category 5, Quality & Timeliness of Products and Services (+) SNJV rated this category 89.88, NNSA rated it 88, a difference of 1.88 points, or approximately 2%. Of

the four achievements SNJV listed in this category, two are expected activities within the contract and the other two NNSA agrees that SNJV did a good job in achieving. NNSA believes that based on the late and confusing guidance that was received from HQ, SNJV did an outstanding job developing the RBES documents.

(-) NNSA found that two notable deficiencies occurred in this category. One involved the delivery of an incentive milestone, namely the transfer of the FFACO database. The method (manual versus electronic) used to replicate data from the FFACO Database into EMIS resulted in some data entry errors. As a result, it took more effort and more time to bring the EMIS Database to the standard we expected. The other deficiency was within the UGTA project. Several tasks are behind schedule and several deliverables were late. Most of these issues were identified in SNJV's self-assessment.

Category 6, Health and Safety (H&S) (+) SNJV rated this category 97.38, NNSA rated it 89, a difference of 8.38 points, or approximately 8.6%. Of the seven achievements listed by SNJV in this category, six are basic expectations of the contract. Activities such as conducting operations in compliance with Environmental Management H&S plans and complying with the integrated safety management process do not warrant an outstanding rating. NNSA does agree that SNJV has performed well in this category and not receiving any safety violations or lost work days is a notable achievement.

(-) SNJV noted two opportunities for improvement in this category, namely the inability to obtain custom reports from the EMDB Analytical Services Database for waste characterization and shortcomings in the management assessment and hazard analysis processes. SNJV recommended corrective actions for both of these issues.

NNSA listed two notable deficiencies for SNJV in this category. The first issue had to do with miscommunication between SNJV H&S staff and NNSA management. Initial notification of an issue in the field went to the wrong program office within NNSA. This issue is discussed in the SNJV self-assessment. The second notable deficiency is within the UGTA project. In the initial 4 ½ months of field support to the UGTA project, a SNJV Site Safety Officer was on site. However, during this period, due to no presence of programmatic Health and Safety staff on site, no required self-assessments were done.

Concur:

Privacy Act

Janet Appenzeller-Wing
Lead Evaluator

5/10/04

Date

Privacy Act

Rick Betteridge, Director
Technology Division

10 May 2004

Date

Privacy Act

Sharon Hejazi, Chief Counsel

5/10/04

Date

Privacy Act

Darby A. Dieterich, Contracting Officer
Office of Business Affairs

5/10/04

Date

APPROVED:

Privacy Act

For Stephen A. Mellington,
Fee Determining Official

10 MAY 2004

Date